(b) if so, the details thereof;

(c) the implication of such increasing gap on the economy; and

(d) the steps being taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) to (d) The gap between the retention price c.i.e. the cost of production plus the return on networth as assessed by the Government for individual units) of the controlled fertilizers and the statutorily notified sale price is paid by the Government as subsidy. While in the case of individual plants there are instances of reduction in this gap, on overall basis the gap is on the increase because of increased cost of production and non-adjustment in full of these increases in the sale price to the farmers.

To contain the mounting subsidy bill, all phosphatic and potassic fertilizers were decontrolled w.e.f. 25.8.1992. Further, the price of urea was increased by 91 per cent w.e.f. 10.6.1994 and simultaneously low analysis nitrogenous fertilizers were removed from the price control.

Subsidy on Imported Urea

2885. SHRI SANJAY DALMIA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether there is likely to be a shortfall in due payment of subsidy on imported Urea in 1994-95;

(b) if so, the estimated amount thereof;

(c) the reasons therefor; and

(d) the manner in which the shortfall is likely to be met?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALERO): (a) No, Sir.

(b) to (d) Do not arise.

Payment of Commission to Bulk purchasers by NFL

2886. SHRI S. S. SURJEWALA: Will the Minister of CHEMICAL AND FERTILIZERS be pleased to state:

(a) the system of payment of commission to bulk purchasers and dealers being practised in the NFL;

(b) the total amount of commission paid by NFL to the bulk purchasers and dealers separately during the year 1992-93, 1993-94 and 1994-95;

(c) the norms followed by the individuals/firms among the bulk purchasers together with the commission paid to each of them in the years 1992-93, 1993-94 and 1994-95 respectively;

(d) the functions of the bulk purchasers and the criteria for fixing their commission; and

(e) whether the category of bulk purchasers exists in the other Government owned/cooperative sector fertiliser companies in the country, if so, the norms of the other companies practising this system?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALERIO): (a) to (e) Information is being collected.

Gap between demand and supply of fertilizers

2887. SHRI SURESH PACHOURI: Will the Minister of CHEMICALS & FERTILIZERS be pleased to state:

(a) the gap between demand and supply of fertilizers in the country;

(b) the reason for the gap;

(c) the installed capacity of fertilizer industry in public, private and cooperative sectors;

(d) the capacity utilisation in these sectors;

(e) the reasons for low capacity utilisation in the public sector; and

(f) the steps taken to improve production?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) and (b) The details of consumption, production and import of all fertilizer nutrients (N-P K) in the last three years is given below).

(Lakh Tonnes)

	Consumption	Production (N+P)	Imports (N+P+K)
1992-93	121.55	98.63	29.88
1993-94	123.66	90.47	31.66
1994-95 (Estimates)	138.30	102.89 (upto Dec. 94)	24.29

For production of fertilizers in the country, indigenous raw materials are available mainly for nitrogen, In the case of phosphate, domestic raw material constraints do not permit self-sufficiency in production. Potash is fully imported as there are no known and exploitable reserves of Potash in the country. In view of these limitations, the gap between the indigenous production and consumption is met by imports.

(c) and (d) The installed capacity of fertilizer industry in public, private and cooperative sectors and their percentage capacity utilisation is given below:

Name of the Sector	Installed Capacity (In 000 MT)			Capacity Utilisation (%)		
	91-92	92-93	93-94	91-92	92-93	93-94
Nitrogen						
Public	4376	4376	4376	69.0	69.1	67.3
Private . . .	2342	2623	2964	112.8	106.7	96.9
Coop.	1532	1532	1532	108.8	111.3	108.3
Total	8250	8531	8872	88.5	88.0	83.9
Phosphate						
Public	792	792	792	92.4	82.9	63.2
Private	1650	1721	1721	189.5	178.6	56.6
Coop.	309	309	309	113.2	199.7	110.5
Total	2751	2822	2822	93.0	82.1	64.3

(e) and (f) Capacity utilisation of all the nitrogenous plants in the public sector put together has been low mainly on account of very poor capacity utilisation of the old and sick units of the Fertilizer Corportion of India Ltd. (FCI) and the Hindustan Fertilizer Corporation Ltd. (HFC). Both FCI and HFC have been declared as sick companies by the BIFR who have directed Government to submit unit-wise revival proposal after examining all the available options. In the case of phasphatic plants, there was a slowing down of production, leading to low capacity utilisation, due to reduced off-take on account of increase in prices after the decontrol. However, things have improved in the recent past and the phosphatic plants in all the sectors have shown much better results in the current financial year. The capacity utilisation of nitrogenous and phosphatic plants in the public sector during the first eleven months of the current financial year was 90.6 per cent and 87.0 per cent, respectively.

Sick fertilizer units

2888. SHRI SURESH PACHOURI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the number of fertilizer producing units which have gone sick during the last three years;

(b) the reasons for their sickness; and

(c) the steps taken to waive these sick units?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI EDUARDO FALEIRO): (a) and (b) In so far as public sector units are concerned, two fertilizer producing public sector companies, namely, Hindustan Fertilizer Corporation Limited (HFC) and Fertilizer Corporation of India Limited (FCI) have been declared sick by the Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provisions) Act, 1985.

The main reasons of sickness of HFC and FCI are technological deficiencies, inadequacies in systems designs, frequent equipment breakdowns, ageing of plants, power shortages etc.

(c) For both HFC and FCI the BIFR has directed the Government to submit revival proposals as the promotor. The future of these companies would depend on the outcome of proceedings pending before BIFR, which in a quasi-judicial authority.

Under utilisation of FP&ARD

2889. SHRI NILOTPAL BASU:
SHRIMATI CHANDRA KALA PANDEY:

Will the Minister of CHEMICALS & FERTILIZERS be pleased to state:

(a) whether it is a fact that the infrastructure of Fertilizer Promotion & Agricultural Reserch Division (FP & ARD) under Hindustan Fertilizer Corporation (HFC) is not being fully utilised, due to which balanced use of fertilizer has been greatly eroded causing damage to the soil fertility to a great extent;

(b) if so, what are the future plans of Government for utilisation of FP & ARD for this purpose.

(c) whether it is a fact that FP&ARD under HFC have so far executed Dryland Farming Project from 1976 to 1988. Indo-British Fertilizer Educational Project from 1981 to 1993 and Rainfed Farming Project in West Bengal, Bihar and Orissa, funded by United Kingdom, from November, 1988 till-date;

(d) if so, how much area they could cover in those projects so far and year-wise plan of coverage of further areas; and

(e) the reasons for not utilising the experience of FP&ARD by the Ministry on an all India scale specially in view of the growing imbalance in the use of fertilizers?